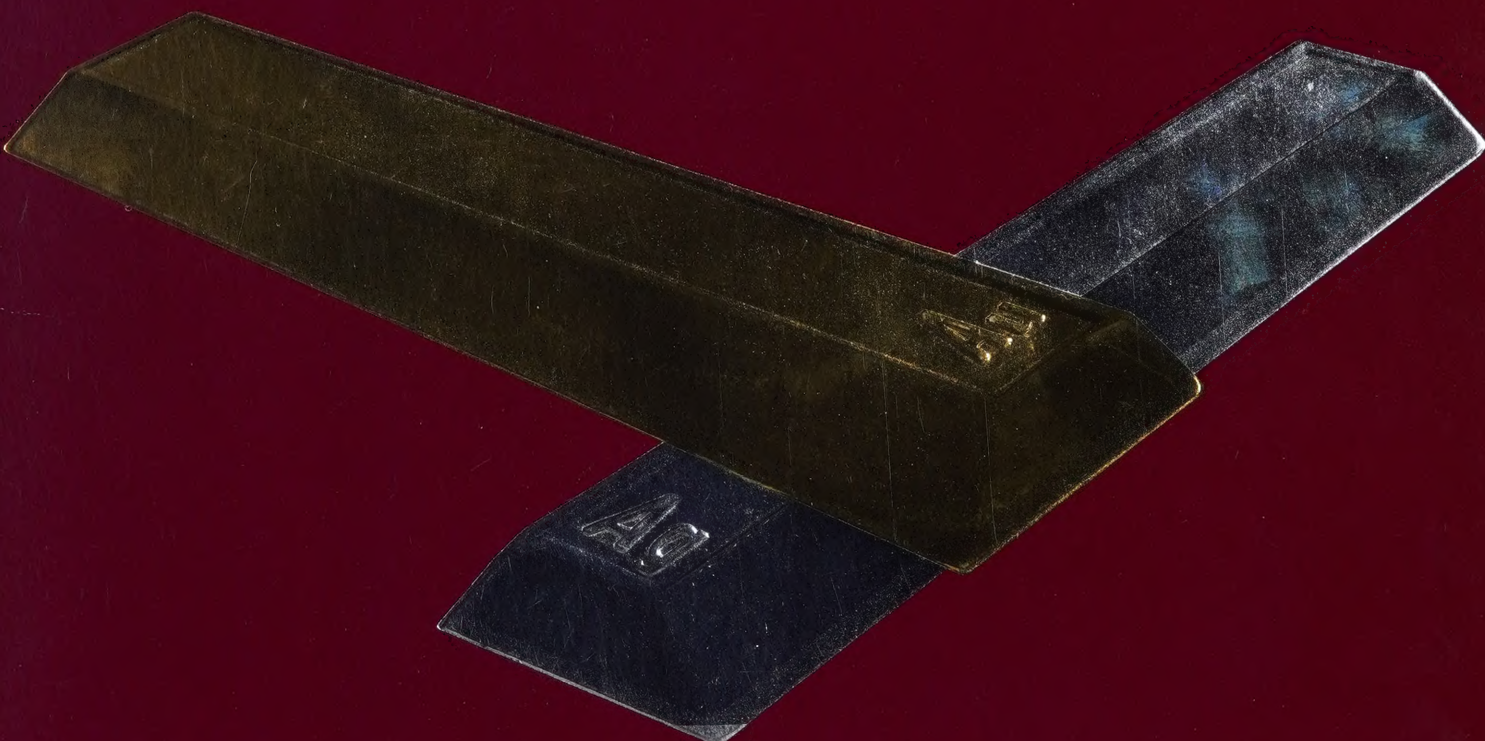
annual report 1975



AGNICO-EAGLE

mines limited

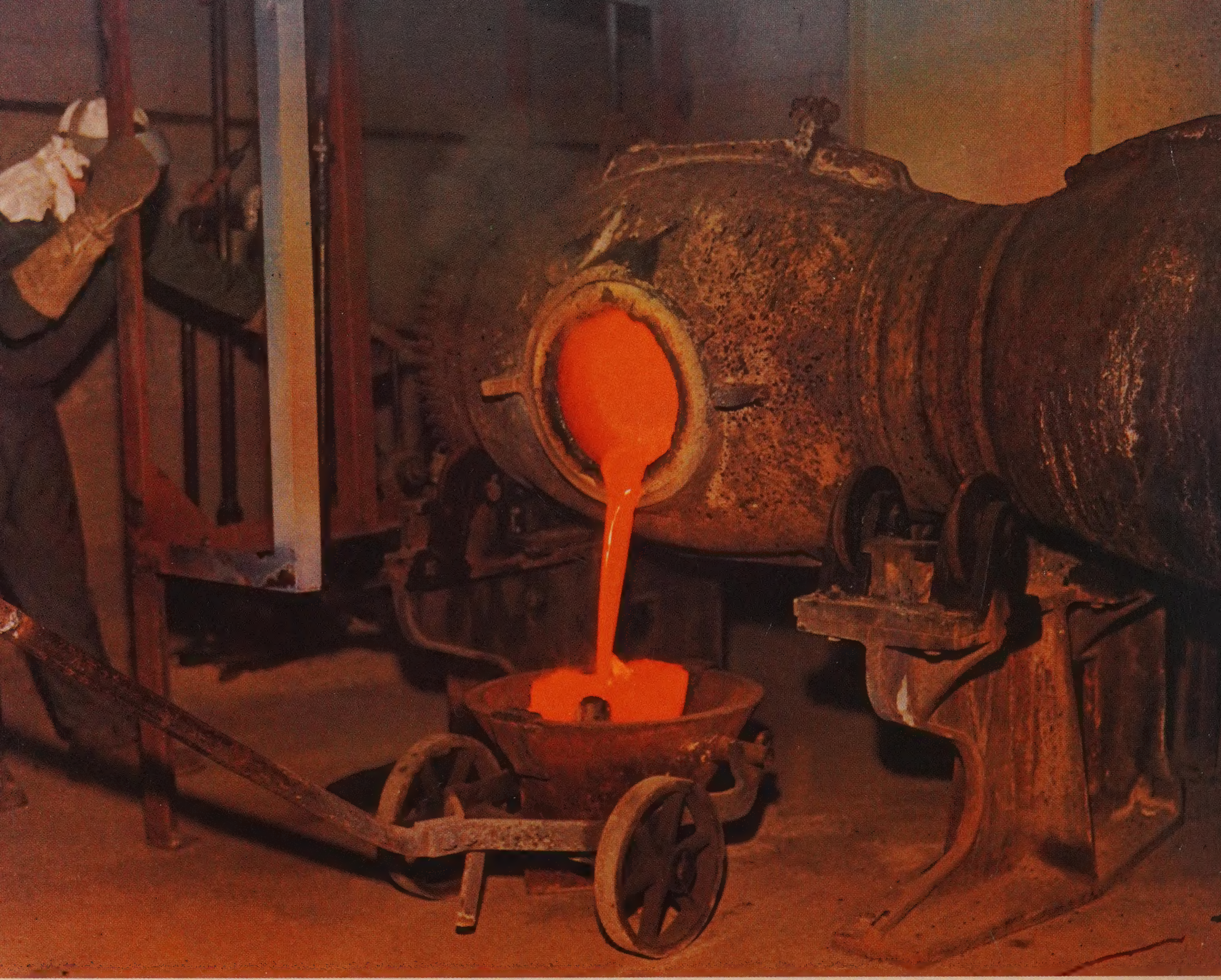
AGNICO·EAGLE
mines limited

ANNUAL REPORT TO SHAREHOLDERS
For the Year Ended December 31, 1975

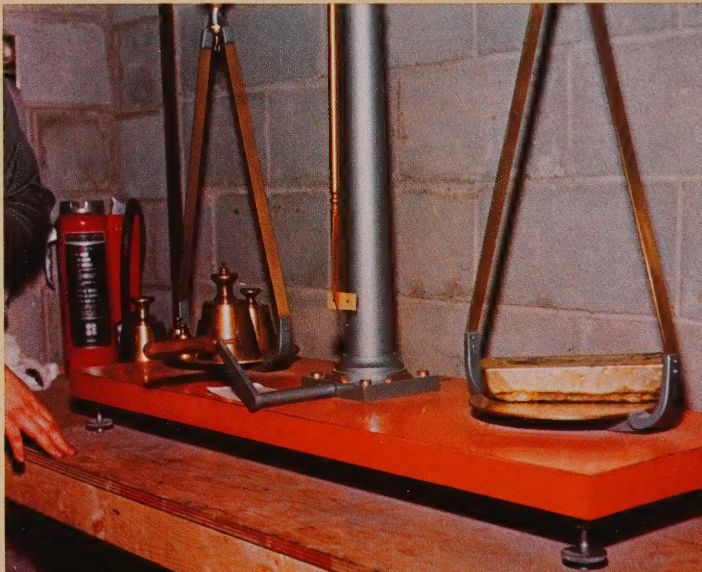
CONTENTS

THE FRONT COVER

The traditional gold and silver bars (Au — Gold, Ag — Silver) reflect the amalgamation in 1972 of Agnico Mines Limited and Eagle Gold Mines Limited. This theme is continued in the corporate graphic symbol with the outlined 'A' signifying the shaft headframe was long a component of Agnico's corporate symbol, which is superimposed by the stylized eagle. The sphere at the feet of the eagle is the symbolic form for gold and it encases the Tree of Life — the immortality of the mineral extractive industry.



Above: *The refinery furnace at the Agnico-Eagle Mines Limited gold division is shown here during the pouring of a gold bar which usually contains about 800 ounces of gold. The refinery furnace is charged with a mixture of gold precipitate and flux and, after heating to a temperature of about 2,500° F., the molten gold is poured into molds where the gold, owing to its high density, separates from the slag.* **Lower Left:** *Gold bar being test-drilled to determine its purity.* **Lower Right:** *The bar is weighed before shipping to the Royal Canadian Mint at Ottawa, Ontario.*



OFFICERS

PAUL PENNA, President and Managing Director
MIKEY DRUTZ, Secretary-Treasurer

DIRECTORS

ARCHIE BASEN, Executive, American Louver of Canada Limited
ALLEN BINSTOCK, Real Estate Agent, Ernest Goodman Limited
IRVING DOBBS, Insurance Executive
GORDON W. KIRK, P.Eng., Mining Engineer
MILTON KLYMAN, Broker-Dealer, M. Greene & Associates Limited
PAUL PENNA, Executive, Jakmin Investments Limited

MINE STAFF — SILVER DIVISION

Mine Manager, Gordon W. Kirk, P.Eng.
Chief Geologist and Engineer, Brian Thorniley, B.Sc., M.Sc., P.Eng.
Mine Superintendent, Armand R. Cote, P.Eng.
Mill Superintendent, Gordon W. Wilson, P.Eng.
Chief Accountant, Herbert O. Johnson

MINE STAFF — GOLD DIVISION

Mine Manager, Donald J. LaRonde, B.Sc., P.Eng.
Assistant Manager and Mill Superintendent, Karol O. Mikulash, P.Eng.
Chief Geologist and Chief Engineer, Anton Adamcik, B.Sc.
Mechanical Superintendent, Amy Dupas
Chief Electrician, Michel Caron
Construction Superintendent, George Gervais
Underground Superintendent, Ronald Daigle
Administrative Manager, Laurent Belanger

CONSULTING GEOLOGIST

W. A. Hubacheck, B.Sc., P.Eng.

EXECUTIVE AND HEAD OFFICE

Suite 300, 365 Bay Street,
Toronto, Ontario, Canada M5H 2V1

MINE OFFICE — SILVER DIVISION

P.O. Box 140, Cobalt, Ontario P0J 1C0

MINE OFFICE — GOLD DIVISION

P.O. Box 310, Joutel, Quebec J0Y 1N0

AUDITORS

Starkman, Kraft, Rothman, Berger & Grill,
Chartered Accountants, Toronto, Ontario

SOLICITORS

Shibley, Righton & McCutcheon,
Toronto, Ontario

BANKERS

The Toronto-Dominion Bank,
Toronto, Ontario

REGISTRAR AND TRANSFER AGENT

Guaranty Trust Company of Canada
88 University Avenue, Toronto, Ontario
427 St. James Street, Montreal, Quebec

SHARE LISTINGS

The Toronto Stock Exchange, Toronto, Canada
Montreal Stock Exchange, Montreal, Canada
Ticker Symbol "AGE"
O.T.C. in United States of America
NASDAQ Symbol "AEAGF"

ANNUAL MEETING OF SHAREHOLDERS

Friday, June 25, 1976 at 10:00 a.m. (Toronto Time),
Library, Royal York Hotel,
Toronto, Canada

PRESIDENT'S REPORT TO THE SHAREHOLDERS

The year 1975 was a milestone for Agnico-Eagle Mines Limited. The gold mining division at Joutel, Quebec, expanded its output to near capacity. Underground exploration, particularly below the 1500 level, has revealed substantial additional ore reserves.

Production from the silver division in Cobalt, Ontario, amounting to over 300,000 ounces in 1975, is expected to increase three-fold to one million ounces or more this year when two formerly active and contiguous mines, acquired in 1974, are restored to production.

More important, from the shareholder viewpoint is the cash flow of $3,466,078 generated by your Company in 1975, contrasted with $1,172,895 in 1974.

Gold Division

In 1975, we solved the problems encountered in start up and in putting our mill circuit on stream. Installation and commissioning of the new mill extension was completed at the year end. During February and March of this year we were treating close to 1,000 tons per day and our mill recovery is now close to 90% and expected to achieve and maintain levels of 91% to 92% with increased operating experience.

Looking northeast across the surface plant at the Joutel Township gold mine of Agnico-Eagle Mines Limited. The new mill extension is at the lower left hand corner.

During 1975, the mill treated a total of 309,524 tons of ore on an average of 848 tons a day at a recovery rate of 82.14%. The average ore grade treated was 0.233 ounce of gold per ton yielding a total of 59,224 ounces of gold with a gross value, including 16,628 ounces of silver recovered as a by-product, of $9,749,360.

Mine operating profit from the gold division in 1975, after deducting operating expenses including mining, development, milling, assaying, surface and mine administrative and technical costs, amounted to $4,544,819. Capital expenditures at the mine during the period of $1,180,826, principally in connection with the new flotation and grinding facilities, resulted in a net division cash flow of $3,363,993.

The mine operating cost per ton of ore treated at the reduced milling rate in 1975 was $16.81. The 1975 operating cost equal to approximately $88 per ounce of gold recovered indicates the range of profitability even at current depressed world gold prices around $130 per ounce.

For the first quarter of 1976, the mill treated 83,424 tons of ore grading an average of 0.225 ounce per ton to produce 16,763

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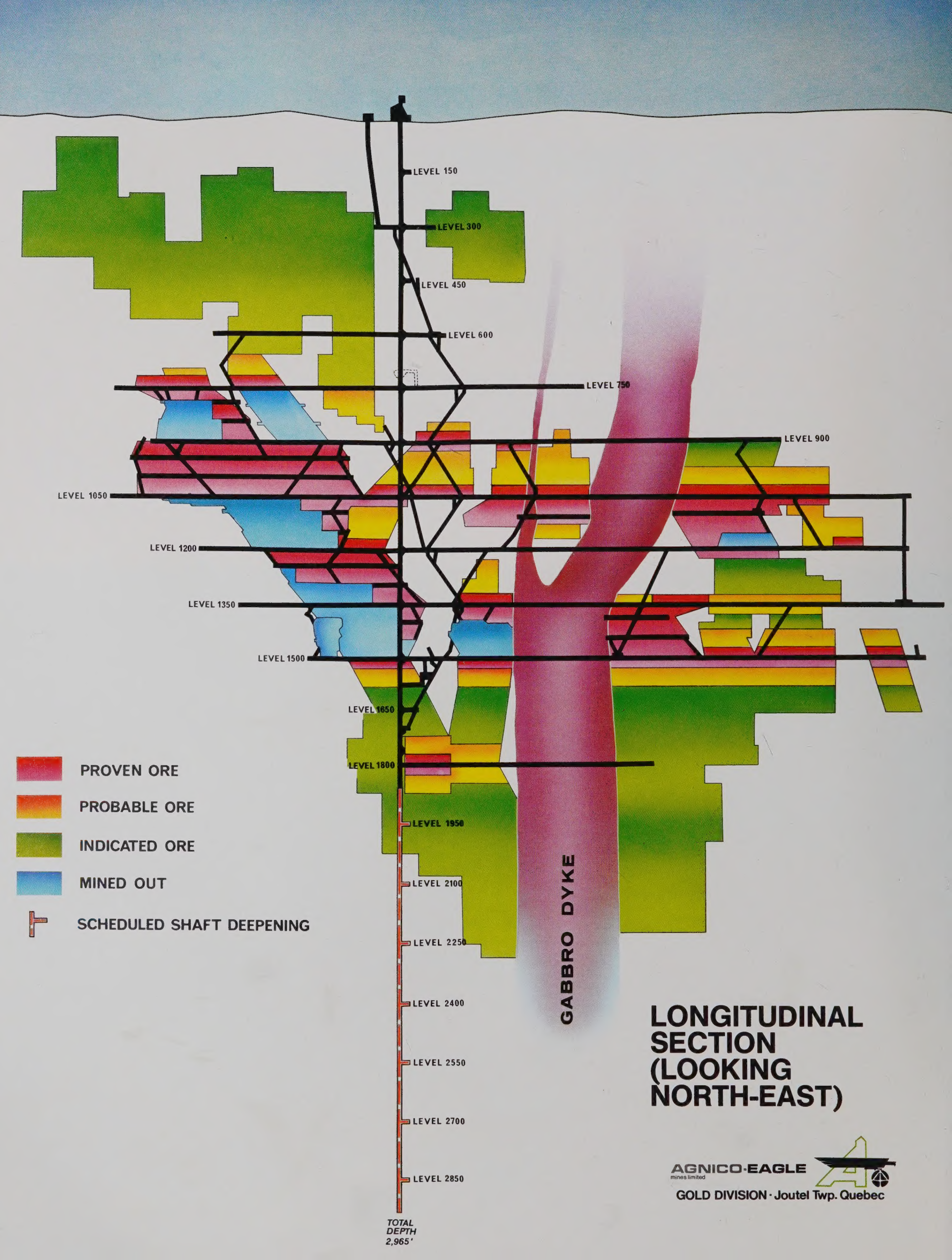

LEVEL 150
LEVEL 300
LEVEL 450
LEVEL 600
LEVEL 750
LEVEL 900
LEVEL 1050
LEVEL 1200
LEVEL 1350
LEVEL 1500
LEVEL 1650
LEVEL 1800
LEVEL 1950
LEVEL 2100
LEVEL 2250
LEVEL 2400
LEVEL 2550
LEVEL 2700
LEVEL 2850
TOTAL DEPTH 2,965'
GABBRO DYKE
PROVEN ORE
PROBABLE ORE
INDICATED ORE
MINED OUT
SCHEDULED SHAFT DEEPENING
LONGITUDINAL SECTION (LOOKING NORTH-EAST)
AGNICO-EAGLE mines limited
GOLD DIVISION · Joutel Twp. Quebec

CONTINUED FROM PAGE FIVE
ounces of gold with a gross value, including 4,870 ounces of silver recovered as a by-product, of $2,186,378. Net division cash flow for the period, after deducting capital expenditures of $87,743, amounted to $635,357.

The new flotation and grinding equipment incorporated into the mill extension which was put into operation at the 1975 year end provides the capability of treating at least 1,200 tons of ore per day. However, owing to the amount of waste rock that has to be hoisted in connection with the current driving of the ore and waste pass system and the scheduled deepening of the shaft, operations will be held to an approximate rate of 1,000 tons daily.

Production for 1976 is therefore expected to be about 75,000 to 80,000 ounces.

Underground Development

Underground diamond drilling, testing the mine area below the 1800 level down to a depth of 2,250 feet or 750 feet below the deepest production level at the 1,500 ft. horizon, obtained numerous excellent intersections averaging well above ore reserve grade.

The drilling was directed both east and west of the projected shaft area, intersecting ore grade over a lateral distance of up to 1,000 feet, with typical intersections such as 0.74 ounce per ton across 21.0 feet, 0.40 ounce across 50.0 feet and 0.31 ounce across 27.0 feet. The tenor of gold values obtained in this drilling suggests strong enrichment at depth.

Although the mine presently has some seven years' ore reserves ahead of mill requirements, a decision was made to proceed with a major shaft deepening project, extending the workings a further 1,100 feet to the 2,965 ft. horizon, opening up seven new level stations.

This major underground development project, with an estimated cost of $1 million and requiring a period of about 15 months to complete the shaft sinking, has the important ultimate objective of providing engineering and revised ore data for probable production expansion and substantially extended mine life.

The underground drilling program also demonstrated that the long exploration drive to the Company-owned adjacent Telbel property, which from information and projections is indicated to contain the continuation of the main ore structure at depth, should be made on the 2250 level after the shaft deepening is completed.

The appended longitudinal section shows the projected depth of the shaft as well as the various ore categories taken into the revised reserve estimate at year end, 1975. As stated in the Mine Manager's Report (Gold Division), a total of 327,807 tons of ore was added during the year, more than replacing the 309,524 tons milled in 1975.

Significantly, the proven ore category of the total 2,601,883 tons of reserves was substantially increased during the year by the addition of approximately 117,000 tons. It is also noted that average ore grades have been conservatively recalculated on the basis of operating experience and the availability of more detailed information on geological characteristics.

Metallurgy

The original design of the mill incorporated straight cyanidation. The low gold recovery at the start up of operations immediately demonstrated the necessity of altering the flow sheet to resolve the problems of treating this comparative unique ore type. Initially, a flotation circuit and regrind circuit were added and these changes together with other modifications and refinements including improved filtration, provided a short term solution for higher recoveries pending the installation of the large capacity roughing cell in the flotation circuit with secondary grinding.

Recoveries, which averaged approximately 76% in the final three months of 1974, improved progressively during 1975, attaining an average rate of 82.14% for the year. The completion of the new mill extension in late December, 1975 provides the long term solution of the metallurgy. This project necessarily involved considerable research and expenditure with costs to date in the order of $268,000. The magnitude of the ore deposit and its indicated long life clearly justified your Company's diligent efforts.

The results from the new mill extension are reflected in the improved recoveries, currently above 90% with a target of up to 92% or better in the near term. The new circuit has the important advantage of reducing the physical volume of material to be cyanided and thereby effectively increasing the tonnage capacity of the mill to at least 1,200 tons per day, but it is expected that as much as 1,500 tons could be treated when conditions are appropriate.

Silver Division

Production in 1975 was restricted owing to the unavailability of refining facilities for the flo-
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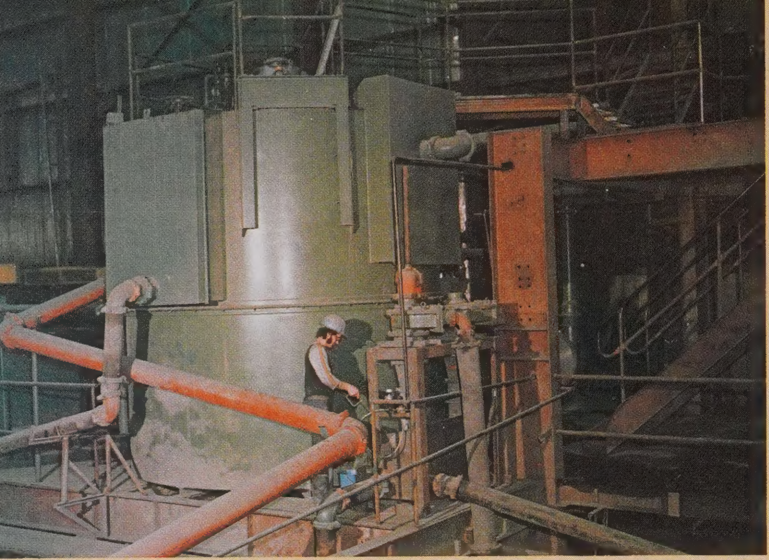

Upper Left: *The new 1,200 cubic foot capacity Maxwell flotation cell.* **Upper Right:** *Crushed ore from underground is conveyed to this surge bin and then to the cone crusher.* **Below:** *The large 12′ by 18′ ball mill, originally designed as a pebble mill.*

CONTINUED FROM PAGE SEVEN
tation concentrate from the Company's Penn Mill. Highgrade concentrates were shipped to Asarco's facility in the U.S. The flotation concentrates, however, had to be stockpiled and this forced the shutdown of milling operations when all available concentrate storage space was filled.

Refining facilities are now available at the new plant of Canadian Smelting and Refining Limited in Cobalt, Ontario.

Production during the abbreviated milling period from June to August, 1975 amounted to 307,314 ounces of silver from the treatment of 17,410 tons of ore. The principal source of mill feed during 1975 was the Trout Lake Mine which has now been closed down with the exhaustion of all mineable ore.

The gross value of 1975 production from the silver division was $1,249,921 based on an average price for silver of $4.06 per ounce. Mine operating profit for the year amounted to $114,863.

The two contiguous Coniagas and Trethewey mining properties, which were acquired by your Company in 1974 at a first year lease rental payment of $252,000 and subject to subsequent but only nominal annual lease rental payments, will be the main source of mill feed for 1976 production.

This new mine has responded favourably to the extensive exploration program which has been vigorously pursued during the past year. Access to the Coniagas Mine is through your Company's Nipissing No. 73 Shaft immediately to the east of the common boundary. Present stockpile of ore approximates 45,000 to 50,000 tons of good grade material.

Current expectations are that the Coniagas will provide a million ounces of silver or more for the 1976 production year. The Penn Mill commenced operation at a scheduled rate of 300 tons per day on May 17th and it is anticipated, in contrast to the seasonal operating period of prior years, that production will now be continuous.

The main thrust of the Company's exploration and development program in the Cobalt Camp is in connection with the Beaver-Temiskaming Mine. This will involve a 3,000 foot exploration drive on the 1,600-ft. level to extensively explore the lower contact of the Nipissing Diabase sill.

This long drive will extend into the Company's Cobalt Lode and Christopher properties to provide drill stations for exploration drilling beneath the former highly productive (some 34 million ounces of silver from previous operations) ore zones on the upper contact of the sill. The drive has now been advanced some 600 feet and expected to reach 950 feet by the end of June or early July.

When the drive has reached the 950 foot objective, a branch will be driven to provide a drill station as well as a drive toward the Brady Lake property while continuing the main drive to the Cobalt Lode and Christopher properties. The start up of exploratory drilling at the 950-ft. branch is scheduled for late July or early August.

This major multi-million dollar project has a substantial objective in terms of the potential for located appreciable new ore in the lower contact which, on the basis of earlier limited work, is known to be silver-bearing.

Financial

Principal expenditures during the year were $1,180,826 for fixed assets, mainly in connection with the gold division, and $717,233 for mine development in respect of silver divisions, or a total for the year of $1,898,059.

The gross value of bullion and metal production for the combined gold and silver divisions in 1975 amounted to $10,997,435 as compared with $7,124,571 for the previous year. The latter figure includes the amount of $3,281,255 representing revenue from bullion sales from the gold division during the 1974 tune-up period which was written off against deferred expenditures in that year.

A notable highlight of the 1975 consolidated balance sheet is the very appreciable reduction in indebtedness to affiliated companies which amounted to $338,060 at the 1975 year end compared with $2,075,989 at the end of 1974.

It is the continuing conservative fiscal policy of the Company to concentrate on debt reduction concurrent with the employment of a portion of revenues to build up a store of ore reserves for future needs.

Another important feature underscoring the Company's improved financial position was the substantial increase in working capital for 1975 of $1,568,019. This reduced the working capital deficiency of $2,242,757 at year end 1974, to $674,738 at the end of 1975.

Consolidated net income for the year was $1,270,332 as compared with $197,826 for 1974. As previously stated, cash flow from operations in 1975 amounted to $3,466,078 contrasted with $1,172,895 for 1974.

When production of gold and silver is stabilized at target levels, and after debt on the prop-

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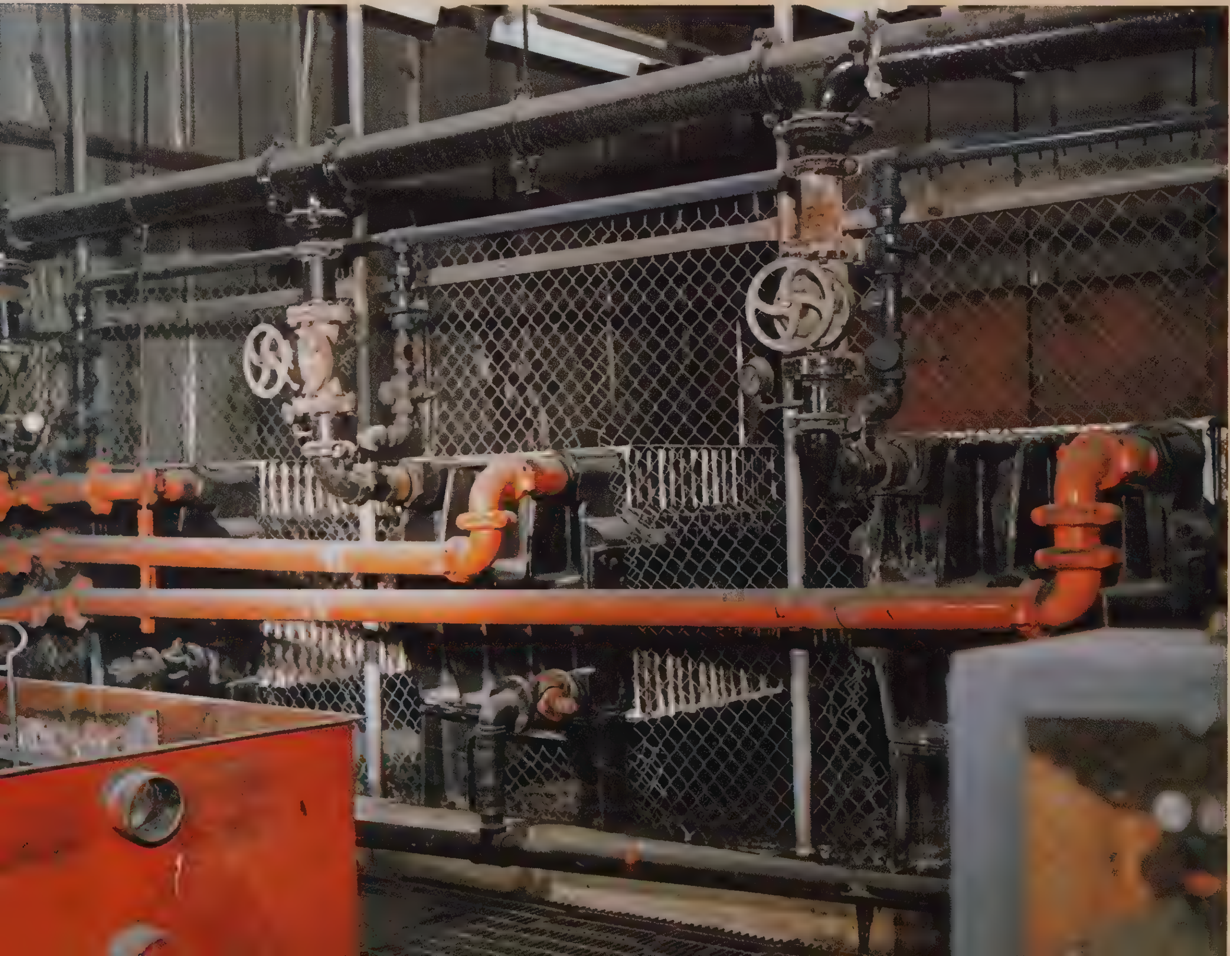

Above: *Another view of the new Maxwell flotation cell at right hand side and the smaller Denver cells at left which are now used for second stage flotation.* **Alongside:** *The filter presses.*

CONTINUED FROM PAGE NINE
erty has been eliminated, immediate attention will be given to placing the Company on a dividend basis. Not only assured high level production but the prevailing prices of gold and silver will have an important bearing on both the timing and size of any dividend declaration.

The average price received for gold produced in 1975 was approximately $160.00 per ounce and for silver, $4.06 per ounce. For 1974 production, the average prices received were approximately $162.00 and $4.37, respectively for gold and silver.

It is important for shareholders to consider that it is the average price received for bullion during any fiscal period that determines the profitability of gold and silver mining operations, rather than the often undue emphasis placed on short term and sometimes wide price fluctuations.

Notwithstanding the perhaps temporary influence of the recently announced plans of the International Monetary Fund to liquidate 25 million ounces of gold at successive auctions over the next four years, there is a more impressive consensus among responsible mining people, metal dealers and economists about anticipated gold prices in 1976.

A return to monetary gold by any nation might dramatically increase the gold price, possibly to prices exceeding the 1974-1975 peak at nearly $200 per ounce. It is well to remember there have been 1,700 currency devaluations since the end of World War II, and new devaluations of the Italian lira, Spanish peseta, the British pound and the French franc, just within the first three months of 1976.

All this points to resurgent inflation and the urgent need for the ultimate, if not imminent, return to currencies soundly backed and stabilized by gold reserves.

The diligence and dedication of the members of our operating force, together with the competence of our engineering, mining and geological consultants, have made possible the emergence of Agnico-Eagle as a major addition to Canada's mineral industry and a company increasing in profitability and prestige with each passing month.

On behalf of the Board of Directors,

Paul Penna

President and Managing Director

Toronto, Canada

May 15, 1976

The town of Joutel, Quebec. The original company-owned houses are slightly right of centre at top of picture with five additional homes recently purchased just below. Company also owns three apartment block buildings as well as single staff trailer accommodation plus main bunk house.

Above is a view of the primary grinding unit consisting of the 9′ by 12′ rod mill and the 12′ by 18′ ball mill.

Below is remote scanning device for crushed ore feed.

Gold Division
Casier Postal
P.O. Box 310
Joutel, Quebec J0Y 1N0

AGNICO-EAGLE
mines limited

REPORT OF THE MINE MANAGER (Gold Division)

March 22, 1976

The President and Directors,
Agnico-Eagle Mines Limited,
Suite 300, 365 Bay Street,
Toronto, Ontario M5H 2V1

Gentlemen:

I am pleased to submit the following report regarding operations at the Gold Division of Agnico-Eagle Mines Limited for the year ended December 31, 1975.

Summary

The value of bullion production for 1975 was $9,749,360. During the year a total of 309,524 tons of ore with a calculated grade of 0.233 ounce of gold per ton was treated yielding 59,224 ounces of gold and 16,323 ounces of silver. Overall recovery of gold for the year was 82.14%. Installation and commissioning of the new mill extension was completed at year end. In addition to the predicted improved recoveries, the mill extension will provide extra treatment capacity.

A total of 327,807 tons of ore was added to reserves during the year and after the milling of 309,524 tons there was a net gain in reserves at year end of 18,288 tons. Deepening of the shaft a further 1,100 feet to a depth of 2,965 is scheduled to commence during 1976.

Production

The mill treatment rate was below design capacity during the year pending the installation of the new flotation section with secondary grinding, which was completed at year end.

In 1975 the mill treated a total of 309,524 tons or an average per calendar day of 848 tons with the mill operating at approximately 87% of available time. On the basis of actual operating days of the

mill, the average throughput rate for the year was 973.9 tons daily.

The calculated grade of ore treated during the year averaged 0.233 ounce of gold per ton with recoveries averaging 82.14%.

Mill

The mill extension was completed during December and the grinding and flotation capacity was increased as mentioned in the 1974 report. This was done with a minimum of interruption to operations. The results are encouraging. During the month of February 1976, the mill treated 29,021 tons grading 0.271 ounce of gold to produce 7,476.73 fine ounces of gold. The overall recovery was 90.70%.

It is expected that flotation recovery can be held at 98% and consequently an overall gold recovery of 91% to 92% can be achieved. With the increased grinding capacity, the mill should now be able to maintain its 1,000 ton per calendar rate, even after allowing for down times in connection with routine preventative maintenance and servicing.

Mine Operating Costs

In spite of the industry-wide trend toward higher costs for wages, services and supplies, costs per ton of ore treated during 1975 of $16.81 compare favourably with $16.80 per ton in the previous year. This is essentially a factor of lower consumption of reagents, increased mill throughput rates and a general improvement in operating efficiency. These factors should favourably influence costs during 1976.

Underground Development

During the year, development in the west part of the mine was completed between the 1500 and 750 levels and the crews were transferred over to develop the east end of the mine between these same levels. The driving of an ore and waste pass was also well advanced and when operational, will make possible efficient development of the 600, 450, 300 and 150 levels in the upper part of the mine. This will greatly facilitate ore extraction from the mine.

The exploration drift on the 1800 was driven and used as a diamond drill base for drilling to depth. The 600 West drift was also driven and used for diamond drilling. The results of the drilling were very encouraging and it was decided not to drive the decline from the 1500 to 1800 level as this area would not have to be brought into production in the near future.

Similarly, the long eastward drift scheduled for the 1800 level to investigate the Telbel property was postponed in favour of completing the ore and waste pass system to enable fast, efficient development of the upper levels of the mine.

The ore indicated by diamond drilling below the 1800 level will require deepening the existing shaft. Management has decided to proceed with this important project and shaft sinking should start during the 1976 fiscal year. Indications are that the drive to the Telbel property should be made on the 2250 level after the shaft deepening is completed.

Development completed in 1975, with comparative data for 1974, was as follows:

	1975	1974
Drifting, subdrifting and crosscutting — feet	6,773	5,292
Raising — feet	3,062	2,564
Slashing in ore — tons	37,346	64,203
Slashing in waste — tons	4,360	1,456
Total tons of ore broken (development and mining)	295,421	193,369
Total tons of waste broken	23,762	4,309
Long hole drilling — feet	174,509	103,218
Diamond drilling — underground	20,176	15,100

Ore Reserves

Total proven, probable and indicated reserves at December 31, 1975, including a 10% allowance for dilution, are 2,601,883 tons of 0.27 ounces of gold per ton. This is a net increase of 18,288 tons after milling 309,524 tons during the year. Grade of ore shown in the 1975 reserves has been adjusted on the basis of mining and milling results.

Category	Tons at Year End 1975	Tons at Year End 1974
Proven ore — tons	705,134	588,226
— oz/ton	0.25	0.26
Probable ore — tons	377,935	448,253
— oz/ton	0.27	0.29
Total proven and probable — tons	1,083,069	1,036,479
— oz/ton	0.26	0.27
Indicated ore — tons	1,518,814	1,547,121
— oz/ton	0.29	0.30
Total — all categories — tons	2,601,883	2,583,600
— oz/ton	0.27	0.29

Townsite

Accommodation for staff and mine employees was again expanded. With the closing of the nearby Joutel Copper Mine, we purchased their five (5) staff houses. Agnico-Eagle now owns 19 houses and 20 apartments in the town of Joutel. In addition, mine employees are now renting 15 Mines de Poirier houses. Mines de Poirier ceased operations in August 1975.

The present work force at the mine is 181, of which approximately 86 are permanent residents of Joutel. Some 30 employees have moved into their own house trailers which are set up in the trailer camp in the town of Joutel.

Labour relations continued favourable throughout the year with an appreciable drop in turnover of the work force. The two-year contract which was signed last year with the United Steelworkers of America, covering all employees at the Company's gold division mining and milling operations, extends through to January, 1977. Negotiations in connection with the renewal of this contract are expected to commence during the latter part of 1976.

I would like to take this opportunity to again thank all employees and staff for their loyal and efficient efforts during the past year.

The year 1975 was a period of considerable progress and further improvements in operations can be expected during the current year.

Respectfully submitted,

Donald J. LaRonde, B.Sc., P.Eng.
Mine Manager

AGNICO-EAGLE
mines limited

Silver Division,
P.O. Box 140,
Cobalt, Ontario P0J 1C0

REPORT OF THE MINE MANAGER (Silver Division)

April 6, 1976

The President and Directors,
Agnico-Eagle Mines Limited,
Suite 300 - 365 Bay Street,
TORONTO, Ontario M5H 2V1.

Gentlemen:

I am pleased to submit the following report covering operations at the Silver Division of Agnico-Eagle Mines Limited for the period ended December 31, 1975.

PRODUCTION

Production during the year was provided by Trout Lake #3 Shaft and the Coniagas Mine. The main source of production was from Trout Lake which produced 260,370 ounces from 14,185 tons of ore while the Coniagas produced 46,941 ounces from 3,225 tons of ore. The combined production amounted to 307,313 ounces during milling operations from June to August.

The following is a summary of the main production items:

Ounces silver produced	307,313.86
Pounds cobalt produced	48,475
Gross value of metals sold	$1,249,920.98
Gross value per ounce of contained silver	$4.06
Total tons milled from company properties	17,410
Total tons hoisted	26,781
Calculated head ounces silver/ton	18.44
Recovered ounces silver/ton	17.65
Extraction efficiency	95.72%

EXPLORATION AND DEVELOPMENT

Trout Lake #3 Shaft — The exploration drill program carried out over the first six months of the year tested all the potential areas not previously drilled but failed to locate any new ore zones. Mineralized zones in drift headings were also tested before terminating operations in July.

Coniagas Mine — Development headings were driven into the west end of the property on both the 75 foot level and the 165 foot level. These headings are being used to remove old broken ore from the original workings and also to mine newly found veins, several of which have been encountered in this work.

A limited amount of stoping has been done underground, mostly on a silver bearing sulphide zone found in the Keewatin at the contact of the overlying sediments. A good tonnage of ore broken during the year has been provided by slashing the walls of old open stopes near surface where small, rich silver veins occur together with disseminated leaf silver. The results of this work have been very encouraging.

Diamond drilling has met with some success in probing for branch veins associated with the old workings.

Temiskaming Mine — Work commenced toward the end of the year on rehabilitating the crosscut on the 1600 foot level in preparation for starting an exploration drive to extensively explore the lower contact of the Nipissing Diabase sill. This drive will enter Agnico—Eagle's Cobalt Lode and Christopher properties to provide drill stations for exploration drilling beneath the former highly productive ore zones on the upper contact of these properties.

Pike Pond Project — A surface exploration diamond drill program was conducted on a group of claims in South Lorrain township situated near the Frontier Mine. The drilling was done to explore the favourable cobalt sediments lying beneath the Nipissing Diabase sill and above the Keewatin rock types. After drilling five holes next to the Wetlauffer break without encountering any significant structures, it was decided to suspend the exploration program pending a review of the results.

The following is a tabulation of this exploration and development:

	1975 Footage	Unit Cost	1974 Footage	Unit Cost
Crosscutting & Drifting	2,809	$103.81	4,447.5	$80.48
Raising	1,169	78.28	1,376.5	57.57
U/G Diamond Drilling	22,147	8.37	27,356	7.18
Surface Diamond Drilling	5,609	11.78	—	—

GENERAL

Concentrate Treatment — During the summer when the Penn Mill was in operation, refining facilities for the flotation concentrate were not available. This forced an early shutdown of milling operations when all available concentrate storage space was filled. Highgrade concentrates were shipped to American Smelting and Refining Company, U.S.A.

Refining facilities are now available at Canadian Smelting and Refining Limited, Cobalt, Ontario.

Milling — Test work has been done with a view to improving recovery in the flotation circuit when milling operations commence in May.

Labour Relations — A new labour contract was concluded with the United Steelworkers of America for a period of two years effective July 1, 1975.

In conclusion, I wish to extend my appreciation to the Board of Directors, staff and employees for their cooperation and assistance throughout the year.

Respectfully submitted,

G. W. KIRK, P.Eng.
Manager.

CONSOLIDATED BALANCE SHEET

as at December 31, 1975

ASSETS

CURRENT

Cash

Accounts receivable

Marketable securities (at cost which approximates market)

Smelter settlements receivable

Concentrates on hand

Supplies, at average cost

Prepaid expenses and deposits

FIXED (Note 2)

MINING CLAIMS AND PROPERTIES (Note 3)

DEFERRED EXPENDITURES (Note 1)

Silver Division

Gold Division

OTHER

Shares of unlisted companies, at nominal value

Amalgamation expenses, at cost

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES

Bank indebtedness, secured by inventory and receivables

Accounts payable and accrued charges

Estimated mining taxes payable (Note 9)

Advances from affiliated companies — 10%

Minority interest in subsidiary

SHAREHOLDERS' EQUITY

Capital (Note 4)

Authorized — 20,000,000 Shares without par value

Issued and fully paid — 13,861,827 Shares

Retained earnings

The accompanying notes form an integral part of these financial statemen

Approved on behalf of the Board of Directors:

PAUL PENNA, Director

ARCHIE BASEN, Director

As At December 31 1975	1974
$ 10,091	$ 44,250
37,779	24,915
149,602	—
228,127	478,289
335,224	—
556,346	459,993
410,712	128,771
1,727,881	1,136,218
7,523,986	7,270,372
703,426	722,426
1,080,721	942,950
5,636,144	6,306,216
6,716,865	7,249,166
3	3
82,879	82,879
82,882	82,882
$16,755,040	$16,461,064

$ 216,985	$ —
1,710,574	1,191,122
137,000	111,864
338,060	2,075,989
2,402,619	3,378,975
5,100	5,100
12,947,145	12,947,145
1,400,176	129,844
14,347,321	13,076,989
$16,755,040	$16,461,064

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the consolidated balance sheet of Agnico-Eagle Mines Limited and its subsidiary as at December 31, 1975 and the consolidated statements of retained earnings, income, deferred expenditures — Gold Division and changes in financial position for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the companies as at December 31, 1975 and the results of their operations and the changes in their financial position for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

STARKMAN, KRAFT, ROTHMAN, BERGER & GRILL
Chartered Accountants

Toronto, Ontario
February 27, 1976.

CONSOLIDATED STATEMENT OF INCOME

	Year Ended December 31 1975	1974
REVENUE		
Production of metals	$10,997,435	$ 3,843,316
Less: Marketing	290,531	84,313
Royalties	89,369	175,050
	379,900	259,363
	10,617,535	3,583,953
EXPENSES		
Mining	3,016,869	1,278,192
Milling	2,255,643	648,855
Administration	1,449,046	450,195
Transportation of mill ore	92,079	96,227
Provision for mining taxes	—	5,000
	6,813,637	2,478,469
Less: Sundry income	33,356	67,411
	6,780,281	2,411,058
INCOME BEFORE UNDERNOTED ITEMS	3,837,254	1,172,895
Exploration expenditures on properties abandoned during year — Silver Division	588,492	—
Amortization of deferred expenditures	751,218	437,169
Depreciation of buildings, machinery and equipment	927,212	537,900
	2,266,922	975,069
INCOME BEFORE TAXES (Note 5)	1,570,332	197,826
Provision for income taxes	581,246	98,913
INCOME BEFORE EXTRAORDINARY ITEMS	989,086	98,913
Extraordinary items (Note 6)	281,246	98,913
NET INCOME FOR THE YEAR	$ 1,270,332	$ 197,826
EARNINGS PER SHARE BEFORE EXTRAORDINARY ITEMS	7.1¢	.7¢
EARNINGS PER SHARE	9.2¢	1.4¢

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF RETAINED EARNINGS

	Year Ended December 31	
	1975	1974
RETAINED EARNINGS (DEFICIT) — beginning of year	$ 129,844	$ (67,982)
Add: Net income for year	1,270,332	197,826
RETAINED EARNINGS — end of year	$1,400,176	$ 129,844

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF DEFERRED EXPENDITURES — GOLD DIVISION

	Year Ended December 31	
	1975	1974
DEFERRED EXPENDITURES — beginning of year	$6,306,216	$7,260,094
Development expenditures	—	2,089,948
Administration expenditures	—	646,142
Financing expenditures	—	4,784
	6,306,216	10,000,968
Less: Income from metal sales	—	3,281,255
Amortization of deferred expenditures	670,072	413,497
	670,072	3,694,752
DEFERRED EXPENDITURES — end of year	$5,636,144	$6,306,216

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

	Year Ended December 31	
	1975	1974
SOURCES OF WORKING CAPITAL		
From Operations		
Net income for year	$1,270,332	$ 197,826
Add: Items which do not require a current outlay of working capital		
— depreciation	927,212	537,900
— amortization of deferred expenditures	751,218	437,169
— deferred exploration expenditures on properties abandoned during year — Silver Division	517,316	—
	3,466,078	1,172,895
APPLICATIONS OF WORKING CAPITAL		
Deferred expenditures — Gold Division (net of metal sales)	—	(540,381)
Deferred expenditures — Silver Division	717,233	344,344
Buildings, machinery and equipment (net)	1,180,826	1,637,479
Acquisition of mining claims and properties	—	276,100
Decrease in minority interest	—	9,900
	1,898,059	1,727,442
INCREASE (DECREASE) IN WORKING CAPITAL	1,568,019	(554,547)
WORKING CAPITAL DEFICIENCY — beginning of year	2,242,757	1,688,210
WORKING CAPITAL DEFICIENCY — end of year	$ 674,738	$2,242,757

The accompanying notes form an integral part of these financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1975

1. SUMMARY OF ACCOUNTING POLICIES

ACCOUNTING FOR SUBSIDIARIES

These financial statements include the accounts of the Company's 97% owned subsidiary, Telbel Mines Limited. The investment in the Company's dormant wholly-owned subsidiaries is carried at nominal value.

REVENUE RECOGNITION

The policy of the Company is to recognize revenue after the ore has been milled. The corporation's consultants have determined that the Gold Division reached production efficiency as of October 1, 1974. All income derived from metal sales before that date has been deducted from deferred expenditures. All revenue and expenses after that date have been included in income.

SUMMARY OF ACCOUNTING POLICIES (Continued)

DEFERRED EXPENDITURES AND AMORTIZATION

The amounts shown for deferred expenditures represent costs to date less amounts written off and are not intended to reflect present or future values. Exploration costs related to unknown or unproven ore bodies are deferred until such time as production occurs. Amortization of deferred expenditures is calculated on a units of production basis based on the ore reserves of each mine.

DEPRECIATION

The Gold Division records depreciation on a units of production basis based on the ore reserves of the mine. The Silver Division records depreciation on a 30% declining balance basis due to the erratic nature of the ore bodies.

ADMINISTRATION EXPENSES

Head Office administration expenses are allocated 75% to the Gold Division and 25% to the Silver Division.

INVENTORIES

Supplies are valued at average cost. Broken ore on surface is not valued; the related costs are written off to operations as incurred. Concentrates on hand are valued at estimated realizable value.

SMELTER SETTLEMENTS

Smelter settlements receivable are estimates of the final amount to be received. Estimates are set up immediately upon shipment.

PLANT AND EQUIPMENT ADDITIONS AND REPAIRS

Repairs and maintenance are charged to operations or deferred expenditures while additions, replacements or improvements to existing plant and equipment are capitalized.

2. FIXED ASSETS

The fixed assets balance by divisions is as follows:

	1975	1974
SILVER DIVISION		
Buildings, machinery and equipment, at cost	$ 2,544,212	$ 2,554,437
Less: Accumulated depreciation	2,427,119	2,379,508
	117,093	174,929
GOLD DIVISION		
Buildings, machinery and equipment, at cost	8,751,996	7,560,945
Less: Accumulated depreciation	1,345,103	465,502
	7,406,893	7,095,443
	$ 7,523,986	$ 7,270,372

3. MINING CLAIMS AND PROPERTIES

The company owns approximately 97% of the outstanding capital stock of Telbel Mines Limited. The chief assets of Telbel Mines Limited are mining development licences on 34 claims adjacent to the company's Gold Division mining property.

In 1974 the Company was the successful bidder on two mining leases in the Cobalt area, formerly known as the Coniagas and Trethewey mines, for a first year lease rental payment of $252,000 which has been included in mining claims and properties. This lease rental payment is being amortized on the same basis as the deferred exploration on the property. In subsequent years nominal lease rental payments are required.

4. CAPITAL

The Company has allotted 200,000 shares for a stock option for its President at $7.45 per share until August 15, 1984. No part of the option has been exercised to date.

5. INCOME TAXES

For income tax purposes the Company may claim certain expenses in amounts which may differ from the related provisions claimed for accounting purposes. The resulting timing differences give rise to deferred income taxes which are normally reflected in the accounts.

In prior years the Company has claimed accounting depreciation in excess of the related capital cost allowance claimed for tax purposes. The resulting tax saving applicable to future years was not reflected in the accounts because of the uncertainty of its recovery. The tax reduction for 1975 attributable to these unrecorded tax savings amounted to $581,246 (see Extraordinary Items).

In addition to unused deductions for exploration, development, administration and capital cost allowance which may be claimed at varying rates for tax purposes against future profits of the Company, the Company may also write off against mining profits a portion of its earned depletion base. The depletion base is presently accumulated at the rate of $1 for every $3 spent in eligible expenditures and is deducted at the rate of $1 for every $4 earned in mining profits. As at December 31, 1975 the Company had approximately $9,000,000 in unused deductions resulting from timing differences and approximately $13,000,000 in its earned depletion base.

6. EXTRAORDINARY ITEMS

Extraordinary items consist of the following:

	1975	1974
Provision for loss on advances to affiliated company	$(300,000)	$ —
Utilization of prior years' unrecorded deferred tax benefit	581,246	98,913
	$ 281,246	$ 98,913

The utilization of prior years' unrecorded tax benefit results from claiming for tax purposes capital cost allowances on the company's fixed assets for which depreciation was previously recorded for accounting purposes and no related deferred income tax debits reflected in the accounts.

7. COMMITMENTS

The Company has a management contract with its President for $125,000 per year while he is associated with the Company and $62,500 per year for five years subsequent to the termination of his employment contract.

The company has entered into a pension plan for all of its salaried employees. According to the terms of the plan there are past service funding requirements amounting to approximately $200,000 which will be amortized with interest over a 15 year period.

8. OTHER STATUTORY INFORMATION

Aggregate direct remuneration of directors and senior officers as defined by the Business Corporations Act amounted to $245,448 for the year ended December 31, 1975.

9. MINING TAXES PAYABLE

The Company is appealing an assessment of Ontario mining taxes in the amount of approximately $137,000 for 1973.

10. ANTI-INFLATION LEGISLATION

Effective October 14, 1975 the Federal Government passed the Anti-Inflation Act and subsequently issued regulations which are to be in force until December 31, 1978. Under this legislation, the Company is subject to mandatory controls restricting the payment of dividends to shareholders. The maximum annual dividend that could be paid is limited to 25% of the Company's net income for the year ended December 31, 1974.

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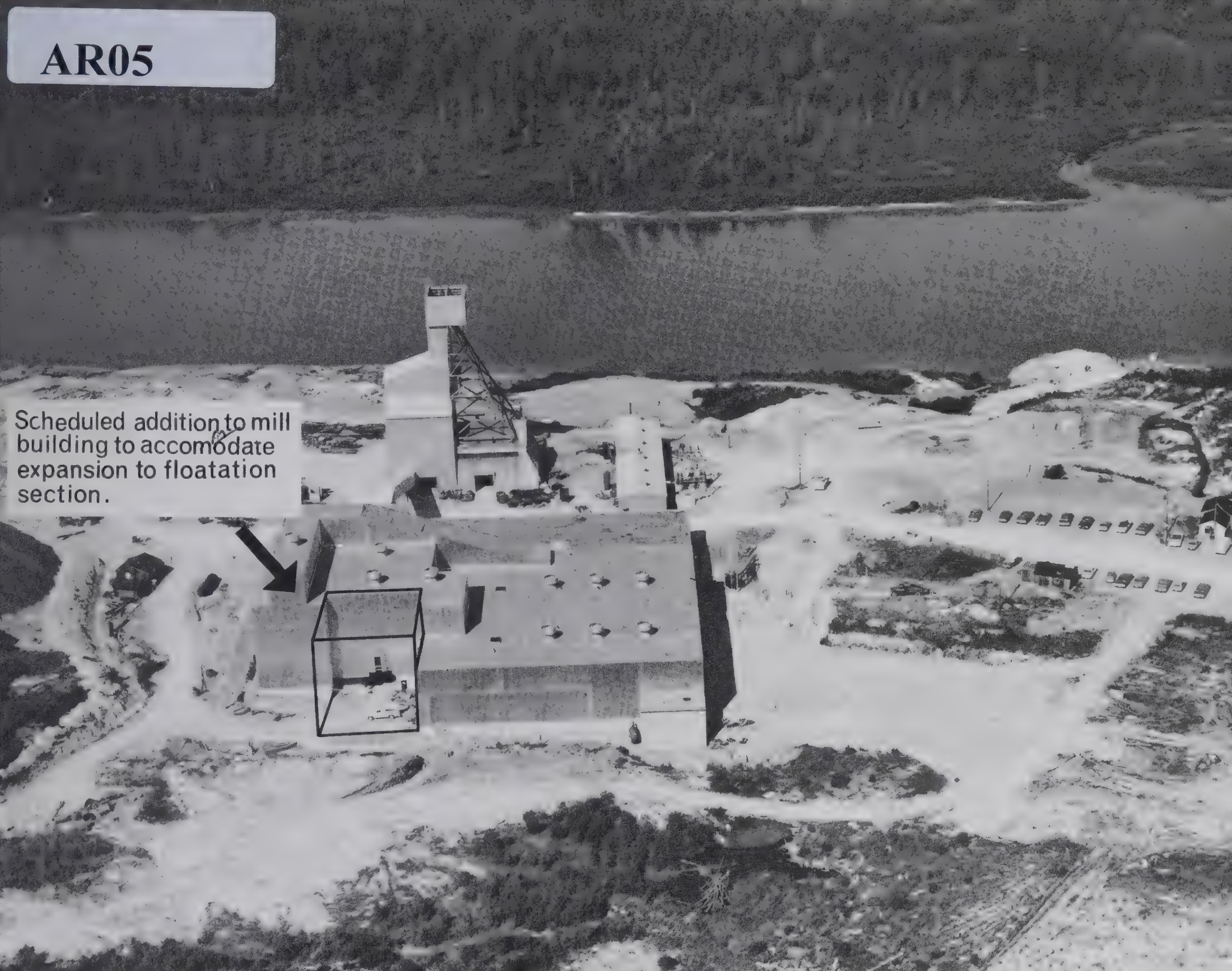

Looking north across the surface plant at the Joutel Township gold mine of Agnico-Eagle Mines Limited. The overlay at the lower left of the main mill building shows the area where the extension is now being constructed to accommodate the new flotation facilities to be commissioned into operation during the fourth quarter of 1975. This additional equipment and other modifications to the circuit are designed to improve recoveries and throughput capacity.

AGNICO-EAGLE
mines limited

SEMI-ANNUAL REPORT
for the Period Ended June 30, 1975

OFFICERS

Paul Penna, President and Managing Director
Mikey Drutz, Secretary-Treasurer

DIRECTORS

ARCHIE BASEN, Executive, American Louver of Canada Limited
ALLEN BINSTOCK, Real Estate Agent, Ernest Goodman Limited
IRVING DOBBS, Insurance Executive
GORDON W. KIRK, P.Eng., Mining Engineer
MILTON KLYMAN, Broker-Dealer, M. Greene & Associates Limited
PAUL PENNA, Executive, Jakmin Investments Limited

MINE STAFF — SILVER DIVISION

Mine Manager, Gordon W. Kirk, P.Eng.
Chief Geologist and Engineer, Brian Thorniley, B.Sc., M.Sc., P.Eng.
Mine Superintendent, Armand R. Cote, P.Eng.
Mill Superintendent, Gordon W. Wilson, P.Eng.
Chief Accountant, Herbert O. Johnson

AGNICO-EAGLE
mines limited

MINE STAFF — GOLD DIVISION

Mine Manager, Donald J. LaRonde, B.Sc., P.Eng.
Assistant Manager and Mill Superintendent, Karol O. Mikulash, P.Eng.
Chief Geologist and Chief Engineer, Anton Adamcik, B.Sc.
Mechanical Superintendent, Amy Dupas
Chief Electrician, Michel Caron
Construction Superintendent, George Gervais
Underground Superintendent, Ronald Daigle

CONSULTING GEOLOGIST

W. A. Hubacheck, B.Sc., P.Eng.

EXECUTIVE AND HEAD OFFICE

Suite 300, 365 Bay Street,
Toronto, Ontario, Canada M5H 2V1

MINE OFFICE — SILVER DIVISION

P.O. Box 140, Cobalt, Ontario P0J 1C0

MINE OFFICE — GOLD DIVISION

P.O. Box 310, Joutel, Quebec J0Y 1N0

AUDITORS

Starkman, Kraft, Rothman, Berger & Grill,
Chartered Accountants, Toronto, Ontario

SOLICITORS

Shibley, Righton & McCutcheon,
Toronto, Ontario

BANKERS

The Toronto-Dominion Bank,
Toronto, Ontario

REGISTRAR AND TRANSFER AGENT

Guaranty Trust Company of Canada
88 University Avenue, Toronto, Ontario
427 St. James Street, Montreal, Quebec

SHARE LISTINGS

The Toronto Stock Exchange, Toronto, Canada
Montreal Stock Exchange, Montreal, Canada
Ticker Symbol "AGE"
O.T.C. in United States of America
NASDAQ Symbol "AEAGF"

AGNICO-EAGLE MINES LIMITED

UNAUDITED CONSOLIDATED STATEMENT OF INCOME

	Six Months Ended June 30 1975	1974
REVENUE		
Production of metal	$ 5,484,484	$ 69,383
Less: Marketing expense	68,146	–
	5,416,338	69,383
EXPENSES		
Royalties	35,318	–
Mining	1,551,236	368,483
Milling	1,130,040	55,285
Administration	554,784	88,379
Transportation of mill ore	40,077	19,797
	3,311,455	531,944
Less: Sundry income	19,018	3,081
	3,292,437	528,863
INCOME (LOSS) BEFORE UNDERNOTED ITEMS	2,123,901	(459,480)
Amortization of deferred expenditures	922,495	–
Depreciation of building, machinery and equipment	1,135,005	32,167
	2,057,500	32,167
INCOME (LOSS) BEFORE TAXES	66,401	(491,647)
Provision for income taxes	32,536	–
INCOME (LOSS) BEFORE EXTRAORDINARY ITEM	33,865	(491,647)
Utilization of unrecorded deferred tax benefit	32,536	–
NET INCOME (LOSS) FOR PERIOD	$ 66,401	$ (491,647)
EARNINGS (LOSS) PER SHARE BEFORE EXTRAORDINARY ITEM	.2¢	(3.5¢)
EARNINGS (LOSS) PER SHARE	.5¢	(3.5¢)

AGNICO-EAGLE MINES LIMITED

Suite 300, 365 Bay Street
Toronto, Canada M5H 2V1

To the Shareholders:

The Directors present the unaudited consolidated financial statements of the Company for the six months ended June 30, 1975. Financial results for the corresponding period in 1974 are also included.

It is to be noted that a direct comparison of these year-to-year period figures is not meaningful since the statement of income for the six months ended June 30, 1974 reflects only the revenue from the silver division while all revenue from sales of metal bullion for the gold division for this same period was deducted from deferred expenditures in accordance with accounting policy, this being part of the "tune-up" period since operations were not considered to have reached production efficiency until October 1, 1974.

In conformity with prior years' financial reporting with respect to the silver mining division, all mining, development, administrative and other related expenses including the applicable milling costs, together with non-current charges for depreciation and amortization are reflected in the income statements for the comparative six month periods in 1974 and 1975. However, owing to the seasonal scheduling of milling operations of this division, which is normally a four to five month period ending in September or October each year, the major portion of production revenue is realized in the second half of the year. Seasonal operation of the silver division mill commenced during June, 1975, accordingly the gross revenue from this division, included in the attached consolidated statement of income, is for the month of June only.

In summary, the appended consolidated statement of income for the six months ended June 30, 1975 represents revenue, expenses and non-current charges for depreciation and amortization for both the gold and silver mining divisions during which period the mill at the gold division operated at approximately 86% of the total available 181 milling days whereas the mill at the silver division operated for the 30-day period of the month of June.

Consolidated Financial Results

Consolidated cash flow for the six months ended June 30, 1975 amounted to $2,123,901 equal to 15.3¢ per issued share. Cash flow represents income before deductions totalling $2,057,500 for non-current charges for depreciation and amortization, items which do not require an actual cash outlay.

After deduction of these non-current charges for depreciation and amortization, and before an extraordinary item, income for the six months ended June 30, 1975 amounted to $33,865 or .244¢ per share. Net income after allowance for the extraordinary item was $66,401 or .479¢ per share. The extraordinary item was the utilization of an unrecorded deferred tax benefit in the amount of $32,536 offsetting the provision for income taxes in a like amount.

Silver Division

During June, the only month of milling operations for the period under review, a total of 5,785 tons of ore was treated yielding 91,686 ounces of silver with a gross value of $385,683. Mine operating profit for the month of June, net of operating costs including mining, development, milling and transportation of mill ore, and including miscellaneous income of $1,638 amounted to $236,281. Total mill feed came from the Trout Lake Mine.

Calculated on the same basis, mine operations for the full six months resulted in an operating loss of $46,814.

Under present operating schedules, mill feed for at least the two month period of July and August will be obtained from the Trout Lake Mine and thereafter for the remainder of the anticipated seasonal period of milling operations, ore will be derived from the Coniagas Mine. Owing to the range of variables involved, it is not possible to estimate with any degree of accuracy the production of silver for the remainder of the operating period subsequent to June 30th. However, during the month of July a total of 6,990 tons of ore was treated and 133,012 ounces of silver produced.

Gold Division

During the six months ended June 30, 1975, a total of 151,703 tons of ore with a calculated grade of 0.236 ounce of gold per ton was treated yielding 29,029 ounces of gold at a metallurgical recovery rate of 81.3%. In addition, there was a by-product recovery of 7,856 ounces of silver. The gross value of gold produced during the period was $5,055,912 and the gross value of silver produced was $31,309. Average price received for gold produced during this period was $174.09 per ounce.

Although optimum metallurgical recoveries and tonnage throughput rates are not expected to be achieved until the fourth quarter of 1975 with the commissioning of additional equipment and further modifications in the treatment circuit, operations have shown steady and consistent improvement during the six month period under review.

The average number of tons treated per calendar day for the entire six month period (181 days) was 838 with the mill operating at approximately 86% of the total available time. On the basis of actual operating days of the mill, the average throughput rate for the period was 972.5 tons daily.

Peak production month in terms of tons treated for the period was June during which 26,820 tons of ore were treated at an average rate of 894 tons per day with the mill operating at approximately 92% of the available time, or an average throughput rate per operating day of 973.8 tons. Metallurgical recovery rate during June averaged 85.5%.

Operations continued satisfactorily during the latest reporting month of July during which a total of 28,019 tons of ore was treated at an average rate of 903.8 tons per day with the mill operating at approximately 93% of the available time or an average throughput rate per operating day of 970.1 tons.

Mine operating profit for the six months ended June 30, 1975, after deducting operating expenses including mining, development, milling, assaying, surface and mine administrative and technical costs, amounted to $2,443,446. Capital expenditures at the mine during the period of $474,575 resulted in a net division cash flow of $2,136,676.

Good progress is being made in the long range underground exploration and development program which was described in the 1974 Annual Report. Among other objectives, this involves the drive to the east on the 1,800 foot level toward the boundary of Telbel Mines which is 97% owned by your Company. At the end of July, advance on the 1,800 foot level had reached a distance of 237 feet from the shaft. Diamond drilling completed during July to a projected depth of approximately 200 feet below the 1,800 foot horizon demonstrates that the ore structure continues to depth and in fact the ore extends westerly beyond the previously projected rake at this horizon.

General

Working capital deficiency at June 30, 1975 of $971,050 shows an appreciable improvement over the figure for the corresponding period in 1974. The increase in working capital during the first half of 1975 was $1,271,707 and this trend is expected to continue during the second half of this year.

As previously reported, a two-year contract extending to January, 1977 was signed with the United Steelworkers of America covering all employees at the Company's gold division mining and milling operations. A similar two-year contract has also been signed, effective June, 1975 and extending to June, 1977 with the United Steelworkers of America covering all employees at the silver division mining and milling operations.

These contracts ensure satisfactory labor-management relations extending over a considerable period.

On behalf of the Board of Directors,

Paul Penna

August 29, 1975

President and Managing Director

AGNICO-EAGLE MINES LIMITED

Jim

UNAUDITED CONSOLIDATED STATEMENT OF DEFERRED EXPENDITURES – GOLD DIVISION

	Six Months Ended June 30	
JOUTEL TOWNSHIP – GROUP II	1975	1974
Development expenses	$ –	$ 1,207,259
Administration expenses	–	387,854
Financing expenses	–	1,958
	–	1,597,071
Less: Income from metal sales	–	1,652,772
Amortization of deferred expenditures	922,495	–
	922,495	(55,701)
BALANCE DEFERRED – beginning of period	6,306,216	7,260,094
BALANCE DEFERRED – end of period	$ 5,383,721	$ 7,204,393

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

	Six Months Ended June 30	
SOURCES OF WORKING CAPITAL	1975	1974
FROM OPERATIONS		
Income before non-current charges	$ 2,123,901	$ –
Deferred expenditures – Gold Division (net of revenue)	–	55,701
	2,123,901	55,701
APPLICATIONS OF WORKING CAPITAL		
TO OPERATIONS		
Loss before non-current items	–	459,480
Buildings, machinery and equipment (net)	485,911	699,957
Deferred expenditures – Silver Division	366,283	122,891
Mining claims and properties	–	241,546
Decrease in minority interest in subsidiary	–	9,900
	852,194	1,533,774
INCREASE (DECREASE) IN WORKING CAPITAL	1,271,707	(1,478,073)
WORKING CAPITAL DEFICIENCY – beginning of period	2,242,757	1,688,210
WORKING CAPITAL DEFICIENCY – end of period	$ 971,050	$ 3,166,283

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